

BART chief faces biggest crisis

By Michael Collier
The Tribune

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*'I'm embarrassed
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BART's besieged general manager, saddled with a widening bribery scandal and other crises at the rapid transit agency, faces the toughest test of his decadelong tenure and could be out of a job this fall.

But Keith Bernard in an interview with The Tribune, said BART's current troubles do not mean the end of the line for the 71-mile rail system, and he predicted that new tracks will be laid within three years.

"I'm clearly on the hot seat," admitted

the mild-mannered Bernard, 49, of Berkeley.

"I'm embarrassed by what's happened here lately... It's sent a shock wave through the system."

Bernard, who survived a fatal Transbay Tube fire and an 11-week BART strike soon after his appointment in 1979, faces these big hurdles in the coming weeks:

■ A growing scandal involving BART managers accused of collecting thousands of dollars in bribes and kickbacks from private maintenance contractors who were given jobs cleaning train stations. Three BART

middle managers and a Santa Clara janitorial firm have been charged in the FBI sting operation, and federal agents say more arrests are expected.

■ Threat of a strike by 1,700 train operators, station agents, clerical and maintenance workers who have authorized a walk-out when a court-ordered "cooling-off" period ends Sept. 13. BART and union officials have set a meeting tomorrow in hopes of hammering out a new agreement.

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■ Tardy delivery of new French-built train cars, already two years behind schedule and threatened with further delays because of labor unrest at a French factory.

■ A tax measure on the November ballot that is crucial to a future BART line in eastern Contra Costa County. The measure, which would increase the sales-tax rate in Contra Costa by half a cent to extend rails from Concord to West Pittsburg and improve highways, faces an uphill battle after a similar measure was soundly defeated two years ago.

BART directors, four of whom are running for election in November, have pressured Bernard to realign agency managers and tighten auditing procedures to prevent graft from occurring again.

BART managers Arnold Flores, 45, of Richmond; Hilario "Frank" Gomez, 55, of Martinez, and Helder Simas, 46, of Concord, have been charged in the FBI's three-year sting operation.

The trio is accused of bilking the transit district out of thousands of dollars. FBI agents say specific figures will be announced soon.

Flores has quit his job, and the other two have been suspended without pay.

For his part, Bernard has hired a consulting team to investigate Flores, Gomez, Simas and 20 other middle managers and has promised to be a "tougher" leader.

He has yet to reshuffle his management team.

Bernard also vowed to be hard-nosed at the bargaining table, where he wants to sell his program for leaner operations at the \$180-million-a-year agency without provoking a rebellion among workers.

Still, Bernard remains a soft-spoken helmsman, more akin to Jimmy Carter than Gen. Patton.

"My style is to build consensus and keep trying to make things work," Bernard told The Tribune. "I'm not a showman. I thrive on challenges when there's a team effort involved. And I feel a lot of support."

But BART's nine-member board of directors has shown only lukewarm support for Bernard lately.

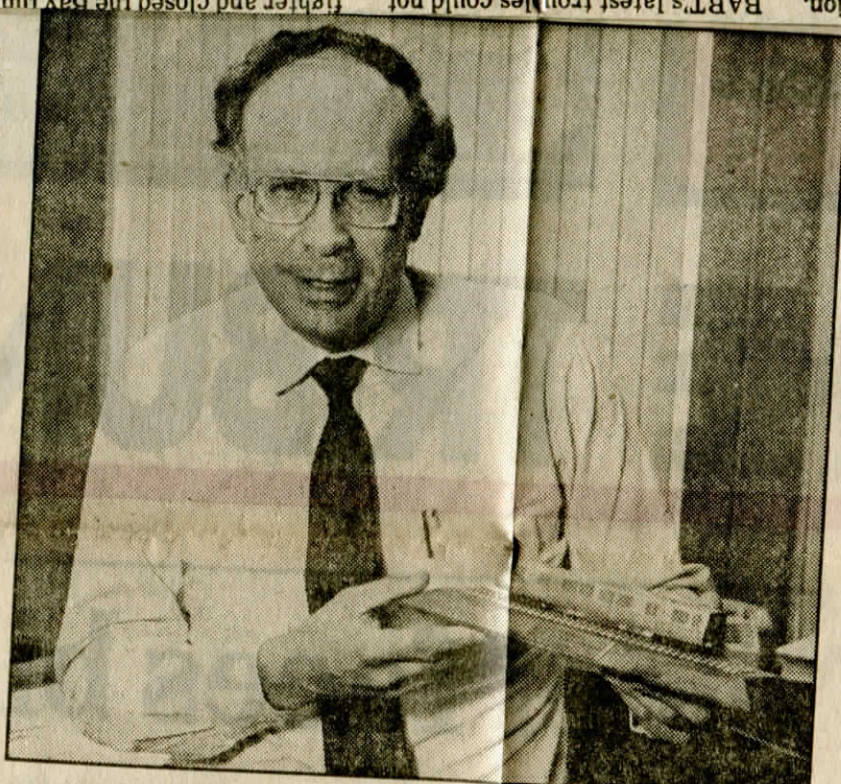
Last week two Bernard detractors, directors Nello Bianco of El Sobrante and Arlo Hale Smith of San Francisco, said BART's current troubles may be Bernard's undoing.

And a third director, John Kirkwood of San Francisco, said Bernard may be sent packing if Kirkwood and any of three other pro-Bernard directors are defeated in November.

"There's no doubt he's vulnerable," said Kirkwood, who admits he himself could be voted out of office.

A vote to oust Bernard, who earns \$100,000 a year under his current one-year contract, would take six votes on the nine member board.

Bernard concedes that



General Manager Keith Bernard holds a model of BART's K car.

By Matthew J. Lee/The Tribune

BART's latest troubles could not have come at a worse time for the rail system, which has never lived up to its original promise of circling the Bay with trains running 90 seconds apart.

Production of new train cars is running far behind schedule, and some of the 30 cars delivered so far have been pulled from service because of electrical problems.

Labor negotiations are tense, and the agency is still living in the shadow of the disastrous 1979 fire, which killed a fire-

fighter and closed the Bay tunnel for six weeks.

But Bernard said the transit district's recent troubles, while dropping the agency's public image a couple more notches, "haven't changed the region's resolve to build more BART."

The rapid transit agency, with the blessing of Bay Area leaders, plans to extend tracks in four directions at once by 1991 — toward East Contra Costa County, Dublin, south Fremont and San Francisco International Airport.

Bernard is also buoyed by the

success of a hard-fought deal to extend tracks to San Francisco's airport. Under terms of the deal, San Mateo County will pay for the rail construction and pay BART a \$200 million "bonus" to help fund the new Eastbay rail lines.

Bernard hopes the success of the San Mateo agreement will lead to a similar deal with Santa Clara County, which wants BART extended from Fremont to San Jose.

Part of the regional rail plan hinges, however, on whether Contra Costa County voters approve \$178 million in new sales taxes on the November ballot to help fund the \$426 million West Pittsburg line.

Tax critics say charges of fiscal fraud by BART managers will surely scuttle the measure, but Bernard disagrees.

"There's always something negative going on at BART," Bernard acknowledged. "But people who want more rapid transit service aren't going to change their minds because a few BART employees... are accused of petty graft."

BART's top manager added that despite the transit agency's management and labor troubles of late, train service has "not faltered a bit."

Indeed, BART's daily patronage, which hovered below 200,000 riders a day for nearly a year, has risen steadily this summer.

But Bernard attributed much of BART's growing ridership to the popularity and success of another organization — the Oakland A's.

Embattled BART chief offers

MON OCT 24 1988

By **Alix Christie**
The Tribune

OAKLAND — Keith Bernard, the general manager of scandal-plagued BART, has asked to be relieved of his duties, but transit directors refused to say whether they accepted his resignation at an urgent closed-door meeting yesterday.

Bernard, the veteran general manager who came under fire for lax management in the wake of an FBI corruption probe, has told the board he would like to resign because of health problems, BART board President

John Glenn said before yesterday's special meeting.

The illness is stress-related, and is in part due to added responsibility Bernard assumed after the death last month of Richard Demko, the district's second-in-command for maintenance and engineering, Glenn said.

BART management will announce this morning the outcome of the special meeting, which was attended by five of the district's nine directors.

BART spokesman Mike Healy yesterday confirmed that Ber-

nard had informed the board of his desire to leave, but Bernard could not be reached for comment.

The 49-year-old general manager already has taken one leave of absence for health reasons in his 10-year tenure at the district's top job. Bernard has been with BART since 1970, and in 1979 assumed the top position, which now pays \$99,500 a year.

Glenn, who said the board would have no further comment until today's announcement, said Bernard "has all of our highest respect."

Although several directors criticized Bernard in August when an FBI sting revealed kickbacks and corruption by managers overseeing BART cleaning contracts, several directors yesterday said Bernard was not being forced out.

"It was something he instigated," said Director Bob Allen of Livermore. "It's a very high pressure job, and it was affecting him personally."

"Overall, he's been a general Jim Dandy of a general manag-

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er, and I'd hate to lose him."

Glenn too denied that the board was forcing Bernard out.

Bernard, however, had taken responsibility for a spate of scandals that have been rocking the transit agency, and last month conceded that he was "in the hot seat."

Among the district's recent problems have been the highly publicized FBI arrests of three BART managers after a three-year investigation of cleaning contract kickbacks, and a raid of the district's real-estate department on suspicion of similar activity.

Strained labor relations also have upset the equilibrium, although a strike by hundreds of maintenance and clerical workers was narrowly averted last month when both sides made concessions.

The latest controversy involved charges of nepotism, after administrators allowed the son of the agency's assistant treasurer to earn commissions by handling some \$150 million in transit district investments.

The district also faces ongoing problems with equipment, including a two-year delay in delivery of French-built train cars and alleged bungling by a company handling the district's \$40 million overhaul of its computerized train control system.

Immediate action is needed to fill the vacancy caused by Demko's death, due to impending decisions that must be made on the technical projects, Glenn said.

The special meeting was called on a Sunday because "the situation called for prompt action," Glenn said.

Resignation throws BART into turmoil

By Michael Gollier
The Tribune

TUE OCT 25 1988

The surprise exit of BART's besieged general manager, who confirmed yesterday that he would quit when his successor was picked, comes at one of the worst moments in the three-county rail system's 16-year history.

"There certainly could have been a better time to change managers," said a disappointed

BART board President John Glenn of Fremont at a press conference to discuss the resignation of Keith Bernard.

The hiring of a new top manager, which isn't expected until after a Nov. 8 election in which four of nine BART directors face re-election contests, will stall efforts to fix train snafus and realign management in the wake of an FBI probe alleging graft and corruption among top agen-

cy managers.

The news also comes two weeks before Contra Costa County voters will be asked to approve a half-cent hike in their sales taxes to fund highway projects and pour \$178 million into a BART rail extension from Concord to West Pittsburg.

"This creates a very big void at the top," said Director Nello

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Bianco of El Sobrante. "Who's in charge?"

Bernard's departure, revealed to transit directors over the weekend, ends his 10-year tenure as head of a transit system that carries more than 200,000 riders each weekday.

In a terse statement issued yesterday, Bernard — who has declined to speak publicly about his decision to quit — said he is proud for having improved service and fire safety and for having laid plans to add more than 30 miles to the 71-mile rail system.

"It is with mixed feelings that I have decided to leave BART," the statement said.

Sources at the agency said Bernard, 49, was crushed by the death last month of Richard Demko, executive manager for maintenance and engineering

and the general manager's right-hand man.

After Demko's death, sources said, Bernard simply could not cope — or didn't want to cope — with the district's mounting troubles.

In an emergency meeting held Sunday, BART directors tried but failed to talk Bernard out of his decision, Glenn said.

BART directors will launch a nationwide search to fill the position, which pays \$100,000 a year to oversee a staff of 2,250 employees and an annual budget of \$180 million.

I hope we can find someone as good," said Glenn, who declined to reveal names of potential applicants.

The BART president acknowledged, however, that he was "disenchanted" with Bernard's management style, which Glenn described as "too soft."

Glenn contended that Bernard

failed to take swift action in the wake of a three-year FBI sting operation in which three BART managers have been accused of demanding bribes and kickbacks of janitorial and maintenance contractors.

Transit directors have shown dismay over problems with BART's new, \$1.4 million-each train cars, which have been plagued by electrical problems, and the bungling of new computerized train controls that will allow the rail system to run more trains.

The agency should fashion a new top management team, said Glenn, in which three assistant general managers report to the top manager and the number of departments within BART would be cut from a dozen to about a half-dozen.

One BART director, Howard Abelson of El Cerrito, said Bernard's decision to step aside is

"what's best for BART. ... What we need now is someone who can take a fresh look at our problems."

Abelson, appointed to the board in the spring, and Director Bob Allen, who attended yesterday's press conference, said Bernard's decision to quit will neither harm nor help their chances in the election.

Other directors said they were shocked and saddened by the news.

"I'm very saddened by this," said Glenn. "I hold Keith in the highest regard ... I can't think of anyone in the country who is more prominent (in the public transit field)."

Bernard, hired by BART in 1970 as a planning engineer, reportedly said he wanted to change careers and spend more time with his family.